



2001 Small Business Profile: KENTUCKY

That the small business sector is as an economic engine indispensable to Kentucky's well being is apparent in the *2001 Small Business Profile*, compiled by the U.S. Small Business Administration's Office of Advocacy. The results in this report show that small businesses are job generators and innovators, and that they represent an array of opportunities to the diverse spectrum of individuals in their communities.

Number of Businesses. In 2000, the number of employer businesses increased by 2.1 percent, and it is estimated that the number of self-employed individuals decreased by 7.2 percent. There were 88,460 employer businesses, and nearly 97.1 percent were small (with fewer than 500 employees) in 2000. Self-employed persons were estimated at 135,550 in 2000. (Sources: U.S. Dept. of Labor, Employment and Training Administration; U.S. Dept. of Commerce, Bureau of the Census; U.S. Dept. of Labor, Bureau of Labor Statistics)

Women-Owned Businesses. Women-owned businesses generated \$9.9 billion in revenues, employed 95,453 workers, and constituted 66,000 firms or 23.4 percent of all firms in 1997. The data on women-owned firms are not comparable between 1992 and 1997. (Sources: U.S. Dept. of Labor, Bureau of Labor Statistics, U.S. Dept. of Commerce, Bureau of the Census)

Minority-Owned Businesses. According to the latest (1997) Census data, a total of 12,700 minority-owned businesses represented 4.5 percent of the businesses in the state and generated \$2.5 billion in revenues. Of these, 2,400 were employer businesses employing a total of 24,572 workers. There were 1,500 Hispanic-owned firms; 5,600 Black-owned businesses; 2,600 Asian and Pacific Islander-owned firms; and 3,100 American Indian and Alaskan Native-owned businesses in 1997. (The data on minority-owned firms are not comparable between 1992 and 1997.) Data may not sum to the total because an owner may be a member of more than one minority group. (Source: U.S. Dept. of Commerce, Bureau of the Census)

Business Turnover. There were 5.7 percent or 8,637 fewer new employer firms in 2000 than in 1999. Business bankruptcies totaled 355 in 2000, an increase of 26.3 percent since 1999, while business terminations amounted to 7,508, a decrease of 17.6 percent from 1999. (Sources: U.S. Dept. of Labor, Employment and Training Administration; Administrative Office of the U.S. Courts; U.S. Dept. of Commerce, Bureau of the Census)

Employment. Small business employment represented 50.8 percent of the state's total employment and firms numbered 70,656 in 1998. Small businesses employed 732,423 of the state's 1,443,015 total non-farm private sector workers (Table 1). (Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses)

Small Business Income. The non-farm proprietors' share of small business income totaled \$5.6 billion—an increase of 6.9 percent from \$5.3 billion in 1999. (Source: U.S. Dept. of Commerce)

Finance. Small businesses often rely upon local bank services, and the number of banks within the state has decreased over the last five years. The Office of Advocacy has published banking studies identifying banks within the state that are small-business-friendly. (See Table 2 for the number of banks by asset size.) Small businesses seeking loans should also consider lenders that participate in the SBA's preferred or certified loan programs; for a list of these lenders, call the Small Business Answer Desk at (800) 827-5722.

For more information on the Office of Advocacy's data, analyses, and research reports on small business, visit www.sba.gov/advo/stats or call (202) 205-6530.

Table 1. Firms and Employment in the State by Industry and Firm Size (Thousands), 1998

Industry	Firms		Employment	
	Total	<500	Total	<500
Total	72.8	70.7	1443.0	732.4
Agriculture, forestry, fishing, and hunting	0.3	0.3	*	*
Mining	0.5	0.5	21.4	11.3
Utilities	0.1	0.1	11.2	2.9
Construction	9.3	9.3	77.2	74.3
Manufacturing	3.9	3.4	290.7	94.3
Wholesale trade	4.4	4.0	69.9	44.1
Retail trade	12.2	11.8	221.6	102.6
Transportation and warehousing	2.7	2.6	60.2	21.6
Information	0.8	0.7	27.0	8.9
Finance and insurance	3.0	2.8	61.1	25.0
Real estate; rental and leasing	2.7	2.7	17.5	13.3
Professional, scientific, and technical services	6.7	6.5	48.5	39.0
Management of companies and enterprises	0.5	0.3	29.5	3.7
Admin., support, waste mngt., and remed., services	3.2	3.1	70.0	36.9
Educational services	0.6	0.6	22.9	15.1
Health care and social assistance	6.9	6.7	194.3	86.3
Arts, entertainment, and recreation	1.2	1.2	14.6	*
Accommodation and food services	4.8	4.7	127.6	82.5
Other services	9.4	9.3	63.0	53.8
Auxiliary, except corp, subsidiary, and regional managing offices	0.1	0.1	12.0	1.1
Unclassified	0.5	0.5	*	*

* Disclosed

Source: U.S. Department of Commerce, Bureau of the Census.

Table 2. Number of Banks in the State by Asset Size, 2000

Number of Banks, 1996-2000					Bank Asset Size Class, 2000				
1996	1997	1998	1999	2000	<\$100M	\$100M-\$500M	\$500M-\$1B	\$1B-\$10B	>\$10B
272	271	269	255	250	141	99	3	7	0

Source: U.S. Small Business Administration, Office of Advocacy, from data collected by the Federal Reserve Board.

The full list of small-business-friendly banks can be found on the Office of Advocacy's website at www.sba.gov/advo/lending